App. F. IX-4

1929-30

File No. 41-29

Previous References (Secy.)

Serial Nos. 7-10, 14

Later References

Secy. 41-29 (7-10, 14)

" 41-29 (15-17, 22-25)

Secy. 96-30 (1-4).

General and Revenue Secretariat.

Agri 96-30-5

Serial Nos. Five

Part B for Jany 30.

SUBJECT

Manufacture of Artificial Silk in Mysore.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Our Prattini has come.
Would the Member like to
grant him an interview now?

1st Member

28/11/29

I shall see him now.
You may also come
Kindly

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

4056

App. F. III—2]

General and Revenue Secretariat | Serial File No. 41 of 1929

D. 4056.	Serial No.	
	7	Letter dated 21st October 1929 from Mr. C. Faber enclosing a copy of a Prospectus about the Mysore Rayon mills Ltd.

I Member's note on the p.c.d.

"Has the subsequent development of this matter been reported to Dewan? Is Lipton out of the business now? Mr Faber thinks that he can count on what Lipton had been offered. This is also a matter for submission to Dewan".

2 The previous papers have been seen by the Dewan and a communication has been sent to the Hon'ble the Resident also. This may now be sent to Dewan.

14.20.11.29.

Sd/- Seas) 23/11/29

25/11

3 Sent for perusal.

4 I understood from Mr Rattini that Mr Lipton has issued a Prospectus on his own, without any reference to it to promised sympathy from Govt.

5 Mr Rattini said that Mr Faber was busy seeing what financial support he could get in India - and he was in hopes of being able to

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

Serial No.

approach Govt later on regarding a site, power, and water.

6 He has been warned that he could not truthfully say that in his Prospectus that he had approached Mysore Govt (please see para 2), and he said he would delete the offending sentence, as it may mislead that his Co. intended approaching the Mysore Govt, which would be all right.

7 It may be said that the Trustee is a Chemist, who was formerly employed by the UPASI to work at Mudjere he spent a few months there, but one has yet to learn that he distinguished himself. Dr Coleman knows him and thinks him "a decent man" but not particularly competent.

Dewan)

27 11 29

Sec

8 Mr

29-11-29

1st Member)

29 11 29

Sec

Mr

30 11 29

Sec

DEWAN'S OFFICE
NOV 1929
No. 2241

OFFICE OF THE COUNCIL
30 NOV 1929
No. 3198

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

Serial No.	
9	Mess Faber & Frattini had an interview with the 1st Member of Council. They were told that Govt would extend to the concern that was projected reasonable facilities for supplies of water and power and for acquisition of a site. In regard to the suggestion in Mess Shaw Wallace & Co's letter that Govt shd "come into the scheme" by taking shares, Mess Faber and Frattini were told that Mess Shaw Wallace & Co's letter wd be considered but it was very unlikely Govt wd participate. 3 12 29
8	Letter dt 18th Dec. 29 from Mr. Frattini enclosing a copy of a report drawn up on 7th February 1929 re Suitability of Mysore State for the establishment of an Artificial Silk mill.
9	Letter dt 28.11.29 from Mr. Faber forwarding copy of a letter addressed to his firm by Messrs Shaw Wallace & Co. re the Starting of an Art. Silk Mill and requesting to arrange for an interview with the firm
10.	Letter No. 7-P. dt 28.11.29 from Messrs Shaw Wallace & Co re Art. Silk Mill.

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

App. F. III—2]

General and Revenue Secretariat — File No. 41 of 1929.

Serial No.

Messrs Shaw Wallace Ltd. are anxious to start an Artificial Silk Mill in Mysore and want Govt. to finance them to the extent of £ 1,50,000/- in the form of shares &c. This question was talked over with the 1st Member by messrs Farber and Trattner on 3rd December and it was understood that Govt. are not likely to participate in the scheme.

Messrs Shaw Wallace Ltd. suggest that a Senior Member of their staff might visit Mysore if there are any chances of their request materialising. Subject for orders, which reqrs. Financial Secy has to be consulted regarding availability of funds for financing the Scheme.

28.7.12.29.

12 The total capital of the scheme is estimated at £ 500000/- and apparently the firm expects that atleast £ 150,000 may be taken up by the Govt., & other Private Concerns of Mysore. themselves As Govt. have not had the Scheme investigated Primarily on its merits, it is a question perhaps not possible to consider the request. Further, whether this form of State aid may be adopted, is also a point for consideration. (Vide German observations of Sir A. Chatterton in page 28, Para 1 of his note). The Fl Secy may also be consulted.

Sd/ 9/12/29

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

Serial No.

12 In para 9 above, a note will be found of the interview Messrs Faber & Kattini had with the 1st Member on 3-12-29

14 It is probable that as expected by Messrs Shaw Wallace & Co (please see the last para of their letter) Mr Faber has sent them a full report of the result of his interview. I do not think we need send a definite reply to the letter. It may perhaps suffice to tell the firm that Mr Faber had an interview with the Member, & has no doubt reported the result. If is for the firm to move in the matter further if they wish it necessary

1st Member

22 12 29

15 I agree

24/12/29

24 12 29

16 Draft. Submit

Sig. 27.12.29.

The appl on the

27/12

7/1/30

RECEIVED IN THE FINANCE DEPARTMENT COUNCIL
23 DEC. 1929
No. 3746

Note—Contn. Sheet

4814

App. F. III—2]

General and Revenue Secretariat | Veri File No. 41 of 1929.

Serial No. 14

D. 7879 / dated 13/1/30.

To messrs. Shaw Wallace & Co, Calcutta

With refce to sl 10, informs that Mr. Faber had an interview with the First member of council and that he must have reported the result in due Course.

DEVELOPMENT

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

Peri. 41-29-7

West End Hotel

Bangalore

21st October 1929

GEN. & REV. SECRETARIAT
DEVELOPMENT BRANCH

M. Rama Rao Esq., B.A., B.L.,
Secretary to Government Development Department,
New Indian Guest Quarters
Mysore.

Dear Sir,

I have pleasure in enclosing a further copy of a prospectus which I have just had printed and which I think eliminates all unworthy matter.

With this my friend Mr. G.N. Frattini to whom I have had excellent introductions proposes on my behalf to call upon various of his friends in Hyderabad with a view to getting them interested.

We will report to you when I hear the results of the interview.

Yours faithfully,

C Faber.

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

PRIVATE AND CONFIDENTIAL. *PRELIMINARY DRAFT.*

MYSORE RAYON MILLS

LIMITED.

(Incorporated under the Indian Companies Act, 1913).

CAPITAL - - £500,000

In 500,000 Ordinary Shares of One Pound each.

ISSUE OF

500,000 SHARES OF ONE POUND EACH

PAYABLE AS TO

10/- per Share on Application.

10/- per Share on Allotment.

Directors :

SIR JOSEPH TURNER K.B.E., J.P. (*Chairman*), Birkby Lodge, Huddersfield (Late Joint Managing Director, British Dyestuffs Corporation, Limited, Chairman of British Netherlands Artificial Silk Company, Limited).

G. WAGENAAR Esq. (Late of The Dutch Enka Co. at Arnhem, Breslau, Milan, Aintree, etc.) (*Managing*)

Technical Adviser :

CORNELIS FRANCISCUS MARIE VERSTIJNEN, of Bickerweg 4, The Hague, Holland (Managing Director, British Netherlands Artificial Silk Company Limited). (*Will join the Board after allotment.*)

Bankers :

London, Bombay, Calcutta, Madras and other branches in India.

Mysore, Bangalore and branches.

Solicitors :

London.

Brokers :

Auditors :

London.

Registered Office :

London Secretary & Transfery Offices :

JAMES HOWARTH, 39, Victoria Street, London.

PROSPECTUS.

OBJECTS.—The Company has been formed for the purposes set out in its Memorandum of Association and in particular to carry on business of Manufacturers of Synthetic Fibres and Fabrics in the State of Mysore in Southern India.

The Company having approached the Government of Mysore with a proposal for starting the Artificial Silk Industry within the State, the Government of Mysore were pleased to say that they were in sympathy with such proposal.

1. **MANAGEMENT AND TECHNICAL DIRECTION.**—The Company has been exceptionally fortunate in securing the assistance and co-operation of Mr. C. F. M. Verstijnen, one of the foremost artificial silk experts in the world. Mr. C. F. M. Verstijnen, until lately Adj. Directeur of the Enka Artificial Silk Company, one of the most successful producers of artificial silk, is now Managing Director of the British Netherlands Artificial Silk Company Ltd., of England, and will join the Board of this Company after allotment. Mr. C. F. M. Verstijnen has undertaken to supply the Company with a key staff of artificial silk experts, and this staff will be under his personal direction and control. There is in the opinion of the Board, no one who is more competent than Mr. Verstijnen to bring this Company to a position of great prosperity.

2. **SITE.**—Negotiations are in progress for the acquisition of a freehold site about 16 miles from Mysore City at Nanjangud. This site has been selected after careful investigation, and combines many natural advantages, being served by the Railway and close to the main electric power line, and is situate on the banks of the Kabbani River, from which there is an ample supply of pure water which has been analysed and found eminently suitable for Artificial Silk manufacture. This site is in direct rail communication with the Ports of Madras and Marmagoa and all the principal towns throughout India.

3. **CLIMATE.**—The climate of Mysore is particularly suitable for the manufacture of Artificial Silk, being perhaps one of the best in the world. Statistics show that over a period of thirty-five years (1893—1927) the average max. temp was 86°30°F., the average minimum being 66°0°F., the average relative humidity being 61% (1893—1911.)

These conditions very closely approach those required in the factory and will therefore show great economy in the power required for Heating and Air conditioning.

4. **LABOUR.**—There is an ample supply of cheap but good labour which has already had considerable textile experience in the existing cotton, wool and silk factories.

Experience has shown the labour to be reliable and quick in learning and adapting themselves to new trades. Ample such labour can be recruited in the immediate vicinity of the factory, and there is therefore small likelihood of labour disturbances as have occurred amongst imported labour.

5. **FACTORY AND PLANT.**—Under Contract between the Company and Anglo-Dutch Engineering Co., Ltd., dated October, 1929, the Anglo-Dutch Company undertake to erect the buildings in accordance with approved plans and to completely equip the same with plant and machinery of the most modern description capable of producing at least 20 tons of artificial silk yarn per week. This plant should commence production within 12 months from the date of allotment, attaining an output of 20 tons per week within 16 months. Production will be in the hands of an expert European staff, under the supervision of Mr. C. F. M. Verstijnen.

6. **ELECTRICAL POWER.**—Power can be delivered at site from the Hydro-Electric Power Station, and can be arranged for on a basis of about one halfpenny (½d.) per unit for a continual 24 hours' supply up to 1,000 h.p. or over. Further power is available if required.

7. **PRODUCTION AND MARKET.**—There is an abundant market for Artificial Silk Yarn and manufactured fabrics, not only in India, but also in Burma, Ceylon, Java and the Federated Malay States, and the Company should be in a unique and commanding position in the Artificial Silk trade in this vast territory, both from an economic and geographical point of view.

A Statement prepared and submitted by the Indian Trade Commissioner. dated London, September 12th, 1928, shows that in the last three years the imports of Artificial Silk Yarn have risen from :—

2,670,990 lbs. ... ... to ... ... 7,509,569 lbs.
(value Rs. 74,71,820, or £533,701.) (value Rs. 1,49,20,738, or £1,065'752.)

while the figures for Fabrics are given as :—

15,362, 002 Yards ... ... to ... ... 53,140,791 Yards.
(value Rs. 1,37,82,502, or £984,465.) (value Rs. 3,86,42,906, or £2,760,207.)

showing a total increase in values of over 100 per cent. in three years.

The Company should be in a position to sell at a price substantially below the price of imported yarns and thereby to secure a substantial part of the trade in India and the Far Eastern States.

Artificial Silk Yarn under the Customs Tariff pays an Import Duty of 15 per cent. whilst on articles wholly or mainly manufactured of Artificial Silk the Duty is 30 per cent.

8. **PROFITS.**—Mr. G. N. Frittini, an eminent Analytical Chemist with many years' experience in various parts of India, has closely investigated the whole scheme and has made a full report strongly supporting the proposals outlined in this Prospectus. He estimates that the average manufacturing cost of Viscose yarn in the quality required for the Indian market is 1s. 10d. per lb. The estimated selling price of similar yarn in India is firm at about 3s. 6d. per lb., showing a gross profit of 1s. 8d. per lb.

The salient points of Mr. Frattini's report, stated very briefly, are as follows :—

The suggested site is admirably adapted for the purpose of an Artificial Silk Factory in having in the neighbourhood a plentiful and cheap supply of labour, abundant water and excellent railway facilities. The District Nanjangud enjoys a good climate sufficiently warm that heating of the mills should not be necessary, and drying processes should be facilitated. The average natural humidity is 61 per cent., and consequently for the greater part of the year there would be no expenditure for artificial humidification.

The water is of such quality that it may be possible to use it without softening.

...gards electric power, the prices of half an anna per unit is lower than in any other port of India, and there is an abundant supply.

Frattini further adds in his report a table of the cost of the necessary labour, and from his figures it is calculated the ...on costs of Rayon yarn should be lower than in any other country, which allowing for the cost of transport from abroad of 15 per cent. payable on all imported yarn, should give the Company an advantage of 35 per cent. over foreign

Frattini's report, which is dated Bangalore, 7th and 14th February, 1929, is too lengthy to set out in this Prospectus, ...spected at the offices of the Company.

...y said Mint may enter in General Negotiations with any Industrial ...aking that is calculated to develop the resources of the State"
L.D. 7953 Secl. F.D. 28-2-29 & 4-2-29. M.

The Directors have received from Mr. C. F. M. Verstijnen the following report:—

To the Directors of

MYSORE RAYON MILLS LTD.

October, 1929.

GENTLEMEN,

In accordance with your request I have made careful calculations of the manufacturing cost of Rayon Yarn, which your Company is proposing to manufacture at Mills to be erected in the State of Mysore, Southern India.

My cost figures have been based on the mauufacturing experience which I have had in several countries of Europe, and on my intimate knowledge of conditions in the Dutch East Indies and America. Taking the various factors into consideration I estimate the cost price per lb. of finished yarn, including all overhead and administrative expenses, to be 2s. 4d, per lb. At a cost price of 2s. 4d. per lb. there should result a nett profit of 1s. 2d. per lb., or £130 per ton, **which on a production of 20 tons per week would give to the Company a total yearly nett profit of approximately £135,000, or more than 25 per cent. on the invested capital.**

Taking into account the cost of long distance transport and the customs duty of 15 per cent. on all imported yarns, I consider that at a cost of 2s. 4d. per lb. your Company will be in an exceptionally favourable position to meet all competition.

My figure of 2s. 4d. per lb. is calculated on 50 per cent. more labour being required than is usual in European practice and that all chemicals will have to be purchased abroad, the transport of which I have based on ordinary freight rates. It may well turn out, however, that the figure of 1s. 10d. per lb. will more nearly approach the actual results obtained than mine, when local labour has become sufficiently skilled in the working of the process, and when, during the progress of the Company, special freight rates should be obtained which would reduce the manufacturing costs, or chemicals can be procured locally.

I cannot, however, at this stage, recommend you to base your profits on a production cost of less than 2s. 4d. per lb., but this figure should be improved upon when the Company has passed the earlier stages of the manufacture of Rayon yarn.

Taking into consideration the economic labour costs, the plentiful supply of good water, cheap power and convenient rail, road and water transport facilities, your Company should be assured of a highly successful future.

Yours faithfully,
C. F. M. VERSTIJNEN.

After providing for the purchase of the site, the payments to be made under Contracts (*a*) and (*c*) below mentioned and all other payments, there will be available for Working Capital the sum of approximately £75,000, which, in the opinion of the Directors, is ample.

The Articles of Association provide that:—

The qualification of a Director shall be the holding of at least one share in the Company.

The remuneration of the Chairman shall be at the rate of £750 per annum, and of each of the other Directors at the rate of £250 per annum. The Company in General Meeting may also vote extra remuneration to the Directors or any one or more of them. The Directors are also entitled to be paid their reasonable travelling and other expenses in attending Board Meetings and otherwise in the execution of their duties as Directors. The Directors may grant special remuneration to any Director who by request performs special services or goes or resides in any place other than where he usually resides in connection with the conduct of the Company's affairs, and such special remuneration may be made payable by a lump sum, or by way of salary or by a percentage of profits or by any or all of those modes. A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director on such terms as to remuneration and otherwise as the Directors may arrange

The Directors may from time to time appoint one or more of their body to the office of Managing Director or Manager for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) as they may think fit.

Each share shall be entitled to one vote.

The minimum subscription on which the Directors may proceed to allotment is seven shares of £1 each.

The preliminary expenses are estimated at the sum of £12,500, which includes the cost of all the preliminary work undertaken and expenditure made, both in England and Mysore, the costs and expenses incidental to the preparation and printing of this Prospectus, and legal and other expenses payable in connection with the registration of the Company, including capital day.

The following Contract has been entered into:—

Anglo-Dutch Engineering Co., Ltd., of 47, Victoria Street, London, S.W., and the Company, dated the day of , 1929 whereby the Anglo-Dutch Engineering Co,. Ltd., undertakes to build the factory buildings in accordance with approved Plans to supply the necessary plant and machinary and instal and completely equip the said buildings for the manufacture of Artificial Silk under the Viscose process with a production capacity of 20 tons a week, for the sum of £360,000. The Anglo-Dutch Company further agree taat as and when the sevetal payments to be made to them under the terms of the agreement are duly made the Anglo-Dutch Company will apply to the Company for and pay for in full on allotment shares in the Company of the nominal value of one-third of the amount of each of such respective payments.

The Directors have already received firm applications for shares which will be allotted in full.

Prints of the Memorandum and Articles of Association and the originals or copies of the above mentioned Contracts and Reports can be seen at the offices of the Company at any time during business hours between the and

Failure to pay any instalments on the shares allotted when due will render previous payments liable to forfeiture. Interest at 10 per cent. per annum will be charged and payable on all instalments not paid at their due date.

Share Certificates will be ready for issue in exchange for duly receipted Allotment Letters on and after

Dated , 1929.

Memorandum of Association of MYSORE RAYON MILLS LIMITED.

1. The name of the Company is "MYSORE RAYON MILLS LIMITED."
2. The registered office of the Company will be situate in the Province of Bombay.
3. The objects for which the Company is established are:—

a. To carry on business as manufacturers of artificial fibres and artificial silk by the Viscose process or any other process which it may from time to time be considered advisable to adopt.

b. To carry on all or any of the businesses of spinners of and dealers in cotton, wool, silk, artificial silk, flax, hemp, jute and other fibrous substances and to weave or otherwise manufacture, buy, sell and deal in textiles of every description.

c. To carry on the business of manufacturers of and dealers in every and any kind of article or material made wholly or partly of or from viscose cellulose or cellulose acetate and in particular but without prejudice to the generality hereof to carry on the business of manufacturers of and dealers in non-inflammable film for cinematographic, photographic and other purposes, splinterless glass, wrapping paper, wrapping tape, window glass substitute, imitation amber, imitation tortoise-shell, insulating material and other material or articles capable of being used in the manufacture of or in conjuction with electrical or wireless apparatus.

d. To carry on all or any of the businesses following, namely: chemists, dyers, bleachers, electrical mechanical and general engineers, builders and general contractors, suppliers of light, heat and power, timber merchants, timber-growers, rail[illegible], colliery, and saw-mill proprietors, wharfingers, carries, furnishing and general warehousemen, manufacturers, importers and exporters of and dealers in wood pulp, chemical, industrial, medicinal and other substances, mixtures, compounds, or preparations, oils, pigments, cements, dyes, animal, mineral or vegetable produce of all kinds, undertakers of financial, commercial trading, and other operations of all kinds, manufacturers of agents for and dealers in plant machinery, apparatus, appliances, implements and tools of every description, or any other trade or business whatsoever which can, in the opinion of the Board, be advantageously carried on by the Company in connection with or as ancillary to the general business of the Company.

e. To apply for, purchase, take on lease or in exchange, hire, or otherwise acquire, and register letters patent or patent rights, brevets d'invention, licences, concessions, trade marks, trade names, and the like conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention or process which may seem capable of being used for any of the purposes of the Company, and to sell, use, exercise, develop, or grant licences for, and exploit or otherwise turn to account, the letters patent, rights, or information so acquired.

To The Directors,
MYSORE RAYON MILLS LTD.

DEAR SIRS,

We, the undersigned, hereby severally apply for Ordinary Shares in your Company on the terms of the above Prospectus in the amounts set opposite to our respective names, and we severally agree to accept an allotment of such shares and to pay the amounts due in respect of such shares as provided by the said Prospectus and we authorise you to register us as the holders of the said shares.

Names and Addresses.	No. of shares taken by each Subscriber.

Dated this day of , 1929.

Witness to the signatures of each of the above—

We, the Anglo-Dutch Engineering Co. Ltd., as provided by the terms of our Contract with the Company, will in due course apply for a total of 120,000 Ordinaty Shares in the Company.

MYSORE RAYON MILLS LIMITED.

CAPITAL - £500,000

DIVIDED INTO

500,000 Shares of One Pound each.

PROSPECTUS

f. To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, machinery, patents, plant, stock-in-trade, and any real and personal property of any kind necessary or convenient for the Company's business, and to develop or turn to account and deal with the same in such manner as may be though expedient.

g. To erect, construct, lay down, enlarge, alter, improve and maintain any buildings, works, and machinery necessary or convenient for the Company's business.

h. To borrow and raise money for the purpose of the Company's business.

i. To mortgage and charge the undertaking and all or any of the real and personal property, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, debentures, mortgage debentures and debenture stock payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.

j. To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company.

k. To receive money on deposit or loan upon such terms as the Company may approve, and to guarantee the debts and contracts of customers and others.

l. To make advances to customers and others with or without security, and upon such terms as the Company may approve, and generally to act as bankers for customers and others.

m. To adopt all such means of advertising the Company and making known its products as may be thought fit, and in particular by advertising in the press or otherwise, by printing and publishing books, pamphlets and circulars, and by holding, promoting or taking part in trade and other exhibitions.

n. To grant pensions, allowances, gratuities and bonuses to employees or ex-employees of the Company or the dependents of such persons, and to establish and support, or to aid in the establishment and support of, any schools, and any educational, scientific, literary, religious or charitable institution, or trade societies, indoor and outdoor amusements and recreations, and any club or other establishment calculated to advance the interests of the Company or of the persons employed by the Company.

o. To make, accept, endorse, discount and executs promissory notes, bills of exchange and other negotiable instruments.

p. To invest and deal with the moneys of the Company not immediately required in or upon such investments or securities and in such manner as may from time to time be determined.

q. To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

r. To remunerate any person or company for services rendered or to be rendered in placing or assisting to place any of the share or debenture capital or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business.

s. To accept paymentf or any property or rights sold, or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or by means of a mortgage or by debentures or mortgage debentures or debenture stock of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

t. To enter into partnership or any joint-purse arrangement or any arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold shares, stock or securities of any such company.

u. To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of or shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company, and acquire and hold shares, stock or securities of and guarantee the payment of the dividends, interest or principal of any shares, stock, securities or other obligations of any such company, or of any company having objects similar to those of this Company, or carrying on, or proposing to carry on, any business in which this Company is interested or from which this Company is likely to derive any benefit.

v. To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person or company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for the purposes of the Company.

w. To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights of and over, and in any other manner deal with or dispose of the undertaking and all or any of the property for the time being of the Company for such consideration as the Company may think fit.

x. To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a preponderating majority of the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.

y. To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

z. To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.

aa. To do all such other things as are or may be deemed incidental or conducive to the above objects or any of them.

4. The liability of the members is limited.

5. The capital of the Company is £500,000, divided into 500,000 Ordinary Shares of £1 each.

Any of the said shares for the time being unissued and any new shares from time to time to be created may from time to time be issued with any such guarantee or any such right of preference, whether in respect of dividend or of repayment of capital, or both, or any such other special privilege or advantage over any shares previously issued or then about to be issued, or at such a premium or with such deferred rights as compared with any other shares previously issued or then about to be issued, or subject to any such conditions or provisions and with any such right or without any right of voting, and generally on such terms as the Company may from time to time determine, but so that any preferential or special rights attached to issued shares shall not be affected or interfered with except in manner provided in Clause 4 of Table A in the First Schedule to the Companies (Consolidation) Act, 1908.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers.	Number of Shares taken by each Subscriber.

Dated this day of , 19 .

Witness to the above Signatures—

Printed by Higginbothams, Bangalore. 4676—1/10/29.

General and Revenue

West End Hotel

Bangalore,

1st December 1929

4700

N.Rama Rao Esq.,B.A.,B.L.,
Secretary to Government
Development Department,
Government of Mysore.

Dear Sir,

I have heard from Mr.Faber by letter this morning that he is definitely arriving in Bangalore on Tuesday morning the 3rd inst.,for the express purpose of interviewing the First Member of Council and yourself.

As you are aware Mr.Faber first expresse a desire to see the Dewan also,but as you informed me that he would not be in Bangalore on that day,and furthermore,that as the subject of interview is the First Member of Council's Portfolio,it would serve no real purpose in interviewing the Dewan.

During my interview with you on Thursday the 28th Nov. you very kindly offered to arrange the time for an interview between the First Member and yourself,and I would be greatly obliged if you would let me know the hour which is convenient for Mr.Faber and myself to attend on Tuesday.

Yours faithfully,

Note—Contn. Sheet

General and Revenue Secretariat | File No. 4 of 192 .

D.O. No. D. 5778/Fin.

General and Revenue Secretariat,

Bangalore, 2/12/1929

Dear Sir,

With reference to your letter dated 1st December 1929 to Mr. N. Rama Rao, I am desired to state that the First Member of Council will be glad to meet you and Mr. Faber anytime during office hours tomorrow the 3rd instant.

Yours sincerely,

Draft. Issue. 2.12.29

G. N. Frattini, Esqr.,
West End Hotel, Bangalore.

NOTE – Contn. sheet

WD 021—GPB—30,000—21-8-28

Peri. 41-29-8

West End Hotel

Bangalore

1st December 1929

Ack with thanks
2/12/29

N.Rama Rao Esq.,B.A.,B.L.,
Secretary to Government,
Development Department,
Government of Mysore.

Dear Sir,

I now enclose herewith copy of a general survey report drawn up in February last.

This report is on broad lines only containing data sufficient to indicate the suitability of the Mysore State for the establishment of an Artificial Silk Mill,and the salient features from an economic standpoint.

Yours Faithfully

G. N. Franklin

Two encl:

POTENTIALITIES OF THE MYSORE STATE IN REGARD TO THE ARTIFICIAL SILK INDUSTRY

At the request of Mr.P.F.Linton I have drawn up the following report regarding the suitability of the Mysore State for the establishment of a Silk Mill,with special comments on the question of costs as contained in Mr.Verstynen's report.

SITE. The controlling factors in the selection of a suitable site appears to resolve itself into 3,important items, (1.) a good and copious water supply,(2.) A plentiful supply of Labour,and (3.) vicinity of the Railway.

Although Mysore State has an area of approximately 50,000 square miles,the selection of a site is confined to a limited area,and in my opinion this is in the vicinity of Mysore City,the Capital of Mysore,where all three essentials mentioned above are available.

CLIMATE. A further advantage of this particular District is the Climate. Mysore has a healthy and salubrious climate, which strictly speaking is sub-tropical.

TEMPERATURE. This ranges from 60°F.in the cold months to 88°F. in the hot months,these figures being the average for the past 35,years. This is an excellent range,obviating as it does the necessity of heating the Mills in the cold weather and less heating up of the drying chambers in the hot months,a process which is necessary in a Silk Mill in Western Countries.

RAINFALL & HUMIDITY. The average rainfall in the Mysore District is 30,inches per annum,the majority of which occurs during the monsoon months viz:-June to September.

Humidity is a factor which has also to be considered. Mysore in this respect has an average per annum of 61% consequently the use of Humidifiers during certain periods of the year should prove unnecessary.

WATER SUPPLY. The site when definitely decided upon would be situated on the banks of in close proximity to the the river Cauvery. The water is of good quality and contains a minimum of Lime,which is usually expressed in terms of"permanent hardness". Even in the driest months the quantity is ample,and in my opinion a Water Softening Plant is not required.

RAILWAYS. Although Mysore is only able to boast of two lines feeding the whole of the State,these are efficiently run. They have through communications with lines in British India. The line running East and West connecting with the Port of Madras,and that running N.W. with the Port of Marmagoa on the West Coast. The Mysore Railway running directly as it does over the river Cauvery,any site chosen in the vicinity of Mysore would combine the two main items,i.e.,Water and Rail.

LABOUR. In the District of Mysore a plentiful supply of cheap and good labour is available,comprising Men,Women,and Children. It may sound amazing to anyone not accustomed to Indian conditions to learn that the usual daily rate prevailing is

Annas 8,for men 5,Annas for Women and 3,to 4,Annas for Children I intend to go more fully into this question as regards its effect on the Capital Expenditure when dealing with the figures as given by Mr.Verstynen in his report.

ELECTRICITY. Mysore State is unique from the point of view that it is capable of producing electricity for Power purposes cheaper than any other part of India. The cost being less than ½ an Anna per Unit. The Generating Power is Hydro and the risk of failure of supply is nil. The Sivasamudram Generating Station situated 30,miles East of Mysore has at present a reserve of 15,000 H.P. which obviates the fear of a shortage of supply. The outstanding feature,however,lies in the fact that as regards a Silk Mill,the question of fuel and Steam Plant can be entirely left out of the essential equipment. More on this subject will be said in my Summary of Report

I think I have now touched upon all the salient points which are necessary to support the project of a Silk Mill. It has been necessary to give a resume of the characteristic points to enable one better to grasp my remarks with reference to Mr.Verstynen's report,which I will now deal with under their respective heads.

When this report was first handed to me,it was only necessary to take a cursory glance at the figur to realise that these were based on European conditions,and that a substantial reduction could be effected in the working costs of a Silk Mill in India.

CHEMICALS. I much regret that owing to the limited time at my disposal I have not been able to touch upon this all important item as much as I would have wished. I hope, however, to furnish you with a further report especially in regard to certain substantial savings which I am sure can be effected.

Mr. Verstynen has mentioned in regard to the Carbon Bi-Sulphide, that this could perhaps be made at the site. I am entirely in agreement with his views. Carbon Bi-sulphide is difficult to handle, and when it has to be conveyed by rail, precautions are necessary. In a country such as India specially constructed waggons, insulated from the Sun's rays would be essential. In regard to the erection of your own Sulphuric Acid Plant I am of the opinion that this could very well be left in abeyance. Ample supplies are available in India at a cheaper rate than it could be imported.

LABOUR. Now we come to a subject on which undoubtedly a considerable reduction can be effected. The report states as follows:- "For the production of 20, tons per week in continuous process, working 7, days per week, you will need no more than 800 Female labourers, and not more than 500, men. At Mr. Linton's estimation this should work out at £3,100 per month or £37,000 per annum."

If reference be made to my remarks above under the heading Labour the prevailing rates are mentioned.

Now I will give an example based on these rates.

Women @ 5,Annas — Men @ 8,Annas

800 — 500

= Rs. 1,72,150) For 313 working days
=- £12,912)

The sum allowed for by Mr.Verstynen is £37,200 on the total cost of production.

I am of the opinion that 50% of the Women Labour could be supplanted by Juveniles at Annas 4,per diem. My experience has been,and I would mention in the opinion of other industries also in India,that Children for some classes of work are much more suitable,being on the whole quicker,and extraordinary deft with their fingers,a factor which I consider is a great asset in a Silk Mill as well as that of a Cotton Mill,not counting on the saving which can be effected on the total cost of Labour. Children of course would not be permitted to work Night Shifts under the Factories' Act.

STAFF - EUROPEAN. On this I am not prepared to be as precise. The factors governing a European Staff in Silk Mills are obscure to me.,but so far as I have been able to ascertain,and the information laid before me by Mr.Linton,I am of the opinion that this is on a rather higher scale than that applying to Textile Industries. Observing in the report under review that Office Staff and Sales Office are included under one heading,I would give it as my opinion taking into account that an average good Indian Clerk does not cost more than £10 per

mensem,(this is presuming of course that use will be made of local talent) that under this heading a reduction might be made of £2000 or 0.73% on total production cost.

To sum up the heading "Staff" I estimate as follows as an outside marginal figure:-

Labour 313 working days.....£12,912

European Staff for Mill & Office £23,000

Total £ 35,912

NATIVE STAFF: By this I understand is meant Native Foreman, Watchmen etc.,This is absurdly high from point of view of Indian wages,and can most decidedly be reduced by £ 6000,leaving a balance for this heading of £,4000.

Therefore,for the year's production of 1040,tons the analysis for Labour is as follows:-

Verstynen	Frattini.
£,75,000	£,39,912

a difference of £,35,088

12.73 % on the cost of production.

POWER. The report states under the heading "Coal,Lighting Heating,Water etc., £,20,000. It is assured that 1000 H.P. per diem will be required,and allowing for the running of the Mill 24 hours a day for 313 days per year,then 5,560,000 Units would be consumed.

The present cost per Unit is 0.5 Annas. Taking in round figures that 6,000,000 Units would be comsumed this

would amount to £ 14,062. Showing a saving under this heading of £ 5,938.

It is suggested that for such a large consumption a special rate should be applied for from the Chief Electrical Engineer.

GENERAL OVERHEAD. For this purpose £ 20,000 is allotted, and under this heading will come Freight, Repairs, and maintenance.

As regards freight it is possible to effect a reduction. The Railways are prepared to grant concessions on Chemicals, but it is doubtful whether the same will be granted for Machinery. Off hand the Railways are prepared to grant a reduction of 8 % on Chemicals, and it is more than likely that if pressure is brought to bear on the Agents of the Railways an even greater reduction may be anticipated. Full details in regard to the possible amount will be given in conjunction with my report on chemicals, which is to follow. In the meantime however I have no hesitation in saying, that leaving out the question of freight, the remainder for maintenance and repairs, is, in my opinion too high, and can be reduced.

S U M M A R Y.

In summarising the comparison is made with the total figures as given by Mr.Verstynen and myself.,leaving out the cost of Chemicals.These being impossble to include as definite figures are not yet available.

VERSTYNEN		FRATTINI.	
Labour,	£ 37,200.	Labour	£ 12,912
Staff	" 25,000	Staff	" 23,000
Native Staff	" 10,000	Native Staff	" 4,000
Coal Heating Water etc	"20,000	Electric Power	" 14,062
	£ 92,200		£ 53,974

£ 38,226 Nett saving, not including Chemicals.

= 33.24 % on Working Costs.

There are many factors to be considered in regard to the manufacture of Artificial Silk in India. She has vast reserves and resources which it is to be regretted Western Countries have little knowledge of. Speaking as a technical chemist I can forsee that should such an Industry be started that improvements in manufacture is bound to lead to the utilisation of India's raw materials. This remark is with special reference to Cellulose. In the vast varieties of

India's Timbers it should not be difficult to find a suitable one for the manufacture of the required quality of of wood pulp which is the basis of Artificial Silk.

If I may offer the suggestion, I would say, that if it is decided to erect a Mill in the State of Mysore, when erection is completed no time should be lost in commencing research work in this direction. A small experimental plant could be put down to ascertain the value of these materials on the spot. The small outlay involved, would, I am sure, be amply repaid.

S/d G.N.Frattini

7/2/29

West End Hotel,

BANGALORE.

C O N T I N U A T I O N O F R E P O R T

DATED 7th FEBRUARY 1929

In continuation of my general survey report on the potentialitie of the Mysore State in regard to the establishment of an Artificial Silk Mill.,I now complete this with remarks on the Chemicals required as given in Mr.Verstynen's report.

Of the 17 various materials necessary,as mentioned in the report of Mr.Verstynen,14 could be economically purchased in this country by placing yearly contracts for the amounts required. The remaining 3,items i.e.Oleine,Turkish Oil and finishing material would probably have to be imported. It will however be noticed as regards the amounts required,and their actual cost,that they are of minor importance when compared with the remainder.It is my opinion that if such a scheme is acted upon that a considerable saving in the total estimated cost of materials could be effected.

I much regret I am unable to give you actual detail costs of the various chemicals landed at Mysore City,as naturally Firms are dubious to place on record finely cut rates for what is to be considered at present an hypothetical business, i.e.,orders which may take many months to materialise. I have it on good authority emanating from one of the foremost Heavy Chemical Manufacturers in the World that they can,and are prepared in this case to meet competition from any source in the world,be it German or American.

Another point which is worthy of consideration is the fact that by purchasing as much as possible in this Country the question of establishing an Agency to handle the Goods at the Port of entry does not arise.,on the other hand if the materials are imported by yourselves such an establishment would be essential. The undersigned has first hand knowledge and experience of the difficulties Firms are sometimes faced with when dealing with the Customs Authorities in India. It often happens that Goods are unnecessarily delayed in clearing through the Customs,packages are broken into for sampling and analysis,resulting in a source of great annoyance where Chemicals are concerned.

I have stated in my previous report that the Railways off hand stated that they would be prepared to grant a concession rate of 8 %,but I have since ascertained that if the case is stated clearly to the higher Authorities even 12 % may be obtained, even so,let us assume that only 8 % reduction is possible, then we have it as follows:- For the production of 1040 tons of Silk per annum the total tonnage in chemicals required is 11,440 tons,which costs to transport 12,Annas per Maund (80 lbs.)

11,440 tons = 3,20,320 Maunds

8 % of 12,Annas approx. Annas 1.

therefore the actual saving in Railway Freight works out at Rs.20,000 per annum equivalent to £ 1,500.

Mr. Verstynen has given the cost of Chemicals for the production of 1, ton of Silk as £ 95, which on 1040 tons £98,880, to which must be added Steamer freight, Rail freight, Duty, etc., £ 59,280. The comparative analysis is therfore as follows:-

	Verstynen		Frattini.
Chemicals	£ 98,880	Chemicals	£ 98,880
Freight	59,280	Steamer freight	£ 33,518
	£ 158,160	Rail freight	15,016
			£ 147,414

Showing a saving on my figures of approximately £ 10,000

or 9.31 %

These figures are conservative, and it will be noticed that the reduction only affects the question of freight. I think however, that it may be confidently anticipated that when you are in a position to place orders, and finely cut rates can be obtained, an important saving can be effected on the cost of Chemicals.

S/d G.N.Frattini

West End Hotel

BANGALORE.

Sales

The origin
and the revised
are both flagged. They
both printed at Higginbotham under the same number
on 1st October 1929, and it
is not known whether the 1st
prospectus was knowingly issued
by way of fraud.
HS 29/4/29.

one and the same
date, viz.,

Great Eastern Hotel
Calcutta, Veri. 2/1-29-9

28 - 11 - 29.

N.Rama Rao Esq. B.A., B.E.
Secretary to Development Committee,
Government Secretariat,
Bangalore.

GOVT. OF MYSORE SECRETARIAT
4710
2 - DEC. 1929
DEVELOPMENT BRANCH

Dear Mr. Rama Rao,

As you are aware, I have introduced the Artificial Silk Proposition to Messrs. Place Siddons & Gough of Calcutta, who in turn have introduced it to Messrs. Shaw Wallace & Co.

The latter are a large firm of Managing Agents here with innumerable interests throughout India, and it is the idea that they should become Managing Agents for the Artificial Silk Company.

I have had several interviews with them, during which I have explained to them fully - as I explained to you - the conditions under which I originally came out here, and my original associations. I have also explained to them that I have written to you informing you that I had dissociated myself and my firm from them. I have discussed with them the technical side of the question, the estimated manufacturing costs and the estimated profit They have procured for me quotations for part of the raw material from which it would appear that the manufacturing costs can be even further reduced, and as a result of these interviews they have evinced an active interest in the proposition.

You will appreciate that for the full and proper success of an undertaking of this magnitude and importance, it will be necessary to have the full support of the Government of the state in which the industry is to be established, and Messrs. Shaw Wallace & Co. have accordingly written to the Dewan of your Govt.

General and Revenue

a copy of the letter being enclosed herewith for your information.

Messrs Shaw Wallace & Co. have requested me to call upon you on my way to Bombay, to give you any further information that I am able, to help you in your further consideration of this scheme under the new conditions.

For this purpose I intend calling upon you on Tuesday next, which I trust will at the short notice I am able to give you and for which I apologise, be convenient to you, and were it possible for you to arrange an interview with the Dewan on the same day I would be deeply obliged.

Unfortunately previous arrangements necessitate my presence in Bombay at the end of the week, but I trust I shall be able to give you such further information as you may require from me before dealing direct youselves with Messrs. Shaw Wallace & Co.

Yours sincerely,

C Tahen

WD 066—GPB—30,000—26-7-29

28th November, 1929.

F/P.

Amin-ul-Mulk Mirza M. Ismail, Esq., B.A., C.I.E., O.B.E.,
Dewan and President in Council,
Government for the State of Mysore,
BANGALORE.

Sir,

ARTIFICIAL SILK.

A scheme of manufacturing Artificial Silk and allied products in India by the Viscose process has been submitted to us by Messrs. Place, Siddons & Gough, Stock and Share Brokers in Calcutta, on behalf of Mr. C. Faber, representing the Anglo-Dutch Engineering Co. Ltd. of 47, Victoria Street, S.W.1, London. We have had a number of discussions on the subject with Mr. Faber, who, we understand, has called on you last month and evoked some interest on your part in the project. Although the latter is still very much in a preliminary stage, we have decided to look into it seriously with a view to taking a leading part in its development if after further investigations it is found that the proposition is sound. Mr. Faber has given us a great deal of information, details and figures and as a result of what we have so far been able to gather, we now mean to make a move in the direction of finding the capital. The Anglo-Dutch Engineering Co. Ltd. are apparently prepared to subscribe

element of undesired items will automatically disappear. We shall once make it clear that, with our taking a hand in the scheme, the received some attention from parties not approved of and we could s more potential product than before it was brought to our notice. e believe that by an unfortunate coincidence this attractive and Lyonne and dismiss matters with you on the lines above described. Later that before returning to Europe, he should pay a friendly visit to Do that no time should be lost, we have agreed with i.e. highly desirable as the process needs the presence of sound technical Xperts of Artificial silk manufacture in Europe. This may be chief subscribers in India plus, possibly, one or two reasonable Board either at Calcutta or Madras made up from representatives of the Jean towards a Japee Company with complete control in India and a however, not in favour of this and on a variety of grounds entirely Company with a controlling Board of Directors in London; we are, wish to participate. It was originally intended to float a sterling Calcutta, Bombay, Madras and Colombo. We ourselves could, naturally, £.130,000: could be more easily harnessed in the open markets of something in the neighbourhood of £.150,000", then the balance of interests in the State are prepared to come into the scheme with Government of H.H. the Maharajah of Mysore and perhaps also private previously favourable for new flotations but we feel that if the the balance of £350,000. The money market, as at present, is not to be supplied by them) and it is, therefore, a question of finding £120,000. (representing one-third of the cost of plant and machinery

therefore, feel obliged if you will look upon Mr. Faber's visit in a new light and accord him a hearing unbiassed by previous difficulties. You are no doubt acquainted with the standing and activities of our firm; apart from our large Tea and Coal interests in North East India, we are successfully managing Cotton and Flour Mills and such other industrial enterprises as the Tin Plate Works in Tatanagar. Mr. Charles Page Perin, who not very long ago was connected with your State, is one of many prominent figures in India's industrial sphere who know and recognize our position of ability and repute among business firms.

We have requested Mr. Faber to send us a full report of the result of his interview with you; if your sympathy with the scheme is sufficient to warrant definite hopes towards the materialization of the project on the lines mentioned above, we suggest that one of the senior Members of our firm should pay a visit to Mysore for the purpose of looking into the scheme more closely on the spot and with a view to discussing it verbally and conclusively.

We have the honour to be,
Sir,
Your most obedient servants,

WD 01714—GPB—30,000—18-4-28

Peri. 41-29-10

Letters to be Addressed P.O. BOX No. 70, CALCUTTA

Ears

DEWAN'S OFFICE 4/12 1929 No. 475

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Reference F/P.

Secy for Y. Ind. for Kindly dealing with the matter under the instruction of the Member.

JM 3-12-29

4, BANKSHALL STREET,
CALCUTTA.
28th November, 1929.

Prefer, please

4/12/29

Amin-ul-Mulk Mirza M. Ismail, Esq., B.A., C.I.E., O.B.E.,
Dewan and President in Council,
Government for the State of Mysore,
BANGALORE.

4814

DEW. 5 DEC. 1929 DEVELOPMENT BRANCH

Sir,

ARTIFICIAL SILK.

A scheme of manufacturing Artificial Silk and allied products in India by the Viscose process has been submitted to us by Messrs. Place, Siddons & Gough, Stock and Share Brokers in Calcutta, on behalf of Mr. C. Faber, representing the Anglo-Dutch Engineering Co. Ltd. of 47, Victoria Street, S.W.1, London. We have had a number of discussions on the subject with Mr. Faber, who, we understand, has called on you last month and evoked some interest on your part in the project. Although the latter is still very much in a preliminary stage, we have decided to look into it seriously with a view to taking a leading part in its development if after further investigations it is found that the proposition is sound. Mr. Faber has given us a great deal of information, details and figures and as a result of what we have so far been able to gather, we now mean to make a move in the direction of finding the capital. The Anglo-Dutch Engineering Co. Ltd. are apparently prepared to subscribe

28th November, 1929

Amin-ul-Mulk Mirza K. Jamal, Kcd., B.A., C.I.E., O.V.O.,
Dewan and President in Council,
Government for the State of Mysore,
BANGALORE.

Sir,

ARTIFICIAL SILK.

I am asked to manufacturing Artificial Silk has called pro-
gress in India by the Viscose process has been submitted to me by
Messrs. Tinde, Bindons & Cough, Bacon and Shaw Brooks in collabora-
on behalf of Mr. C. Baker, representing the Anglo-Continental
Co. Ltd. of 47, Victoria Street, S.W.1, London. We have had a num-
ber of discussions on the subject with Mr. Baker, who, as mentioned,
has called on you last month and evinced more interest on your part
in the project. Although the latter is still very much in a preli-
minary stage, we have decided to look into it seriously with a view
to taking a leading part in its development if after further investi-
gations it is found that the proposition is sound. We have
given us a great deal of information, details and figures and as a
result we must be have no less able to [illegible], we now wish to
make a move in the direction of finding the capital. The Anglo-
Indian Engineering Co. Ltd. are apparently prepared to underwrite

£.120,000. (representing one-third of the cost of plant and machinery to be supplied by them) and it is, therefore, a question of finding the balance of £380,000. The money market, as at present, is not precisely favourable for new flotations but we feel that if the Government of H.H. the Maharajah of Mysore and perhaps also private interests in the State are prepared to come into the scheme with something in the neighbourhood of £.150,000., then the balance of £.130,000. could be more easily harnessed in the open markets of Calcutta, Bombay, Madras and Colombo. We ourselves would, naturally, wish to participate. It was originally intended to float a sterling Company with a controlling Board of Directors in London; we are, however, not in favour of this and on a variety of grounds entirely lean towards a Rupee Company with complete control in India and a Board either at Calcutta or Madras made up from representatives of the chief subscribers in India plus, possibly, one or two responsible Experts of Artificial Silk manufacture in Europe. This may be highly desirable as the process needs the presence of sound technical advisers.

So that no time should be lost, we have agreed with Mr. Faber that before returning to Europe, he should pay a fresh visit to Mysore and discuss matters with you on the lines above described. We believe that by an unfortunate coincidence this attractive and most potential project has, before it was brought to our notice, received some attention from parties not approved of and we would at once make it clear that, with our taking a hand in the scheme, the element of undesired links will automatically disappear. We shall,

£120,000. (representing one-third of the cost of plant and machinery to be supplied by them) and it is, therefore, a question of finding the balance of £360,000. The money market, as we propose, is not presently favourable for new flotation but we feel that the Government of H.M. the Sheikdom of Iyaore and perhaps also private interests in the State are disposed to come into the money with something in the neighbourhood of £.130,000., then the balance of £.130,000. could be more easily underwood in the open markets of Calcutta, Bombay, Indore and Colombo. We ourselves would, naturally, plan to participate. If the originally intended to float a storking Company with a controlling Board of Directors in London; to wit, however, not in favour of this and on a variety of reasons entirely local towards a Bupoo Company with complete control in India and a Board either of Calcutta or Indore made up from representatives of the chief subscribers in India plus, possibly, one or two nominees of Imperial or Metropolitan Bank structure in London. This may be highly desirable as the process modern the presence of young technical advisors.

So that no time should be lost, we have agreed with Mr. Taylor on the lines above mentioned. We shall by a first visit to London on our returning to Europe, be glad by a first visit to make contact and discuss matters with you on the lines above mentioned, so noticed that by an unfortunate coincidence this attractive and most potential project has, before it was brought to our notice, received some attention from parties not approved of and we would it clear that, with our letting a hand in the scheme, the

therefore, feel obliged if you will look upon Mr. Faber's visit in a new light and accord him a hearing unbiassed by previous difficulties. You are no doubt acquainted with the standing and activities of our firm; apart from our large Tea and Coal interests in North East India, we are successfully managing Cotton and Flour Mills and such other industrial enterprises as the Tin Plate Works in Tatanagar. Mr. Charles Page Perin, who not very long ago was connected with your State, is one of many prominent figures in India's industrial sphere who know and recognize our position of ability and repute among business firms.

We have requested Mr. Faber to send us a full report of the result of his interview with you; if your sympathy with the scheme is sufficient to warrant definite hopes towards the materialization of the project on the lines mentioned above, we suggest that one of the senior Members of our firm should pay a visit to Mysore for the purpose of looking into the scheme more closely on the spot and with a view to discussing it verbally and conclusively.

We have the honour to be,
Sir,
Your most obedient servants,

WD 066—GPB—30,000—26-7-29

Appendix F G—1

SUBJECT.....

.....

.....

Section S-ers

File No. 41-29

Serial No. 14

No. 2919

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue.....

Signed by.....

To

Messrs Shaw Wallace &c

4 Bankshall Street,

Calcutta.

List of enclosures.....

Copied by.....

Examined by.....

Gentlemen,

With reference to your letter dated 28 November 1929 addressed to the Director of Industries regarding the manufacture of artificial silk in Mysore, I am directed to state that Mr. Datta had an interview with the Minister of Commerce, Government of India, and I have

over

10

he has represented his resignation

[illegible] Thomas

27/12/29

7/30

Wheeler

18.7.12.29.

11

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. *Bangalore, Dated,* .....

From

N. RAMA RAO, Esq., B. A., B. L.,
Secretary to the Government of His Highness the Maharaja of Mysore,
Development Departments.

To

Messrs. Shaw Wallace & Co.,

4, Bankshall Street, C A L C U T T A.

Gentlemen,
~~Sir~~,

With reference to your letter dated the 28th November 1929 addressed to the Dewan of Mysore regarding the manufacture of artificial silk in Mysore, I am directed to state that Mr. Faber had an interview with the First Member of Council to the Government of His Highness the Maharaja on the subject and I have, no doubt, he has, in due course, reported the result to you.

I have the honour to be,

Gentlemen,

Your most onedient servant,

Subramanian K

For Secretary to Government,
Development Departments.

16

BRS/2 9-1-30